

IN THE SPECIFICATIONS

Please amend paragraph [0015] as indicated:

[0013] The file of this patent contains at least one drawing executed in color: Copies of this patent with color drawing(s) will be provided by the Patent and Trademark Office upon request and payment of the necessary fee. For detailed understanding of the present invention, reference should be made to the following detailed description of the preferred embodiment, taken in conjunction with the accompanying drawings, in which like elements have been given like numerals and wherein:

Figure 1(Prior Art) illustrates the phenomenon of reservoir compaction due to pressure reduction.

Figure 2 (~~Prior Art~~) is a flow chart illustrating the major steps of the use of a Dynamic Range Relaxation Algorithm for modeling of fractures.

Figure 3 (Prior Art) show the triangular nodal configuration for an aerial model.

Figure 4 illustrates the geometry of an illustrative model with four zones.

Figure 5 shows the nodes for the model of Figure 4.

Figure 6 shows the nodal configuration of the model of Figure 4 after application of stress leading to failure of the borehole.

Figure 7 is a post-failure view of the model emphasizing the fracturing in the model.

Please amend paragraph [0015] as indicated:

[0015] Turning now to Fig. 2 (~~Prior art~~), a flow chart of the major steps of using a DRRA are shown. The first step in the invention is to select a mode of definition of the subsurface 101. This step defines the boundaries of the model and the nodal configuration therein. The mode of definition may be aerial, cross-sectional or 3-D. Within the model, a plurality of interconnected nodes that characterize the geometry of the model are defined. In a preferred embodiment of the invention, the nodal pattern is a regular triangular lattice, although other patterns, such as a random lattice, may also be used. The user may also specify the number of nodes in and the aspect ratio of the model.

Please enter the substitute Figure 2 in the application.